

CORRECTED FISCAL NOTE

SB 1358 - HB 1643

March 15, 2005

SUMMARY OF BILL: Replaces methodology for calculating quarterly franchise and excise tax payments.

ESTIMATED FISCAL IMPACT:

On February 23, 2005, we issued a fiscal note which indicated *a decrease to state revenues exceeding \$1,000,000 and an increase to state expenditures of \$134,000*. Based on additional information provided to us, the estimated fiscal impact of this bill is:

(CORRECTED)


Decrease State Revenues – Exceeds \$1,000,000 One-Time
Increase State Expenditures - \$134,000 One-Time

Assumptions:

- Currently, taxpayers have two options (based on the lesser tax liability) for calculating their quarterly franchise and excise tax payments.
- The first option (which this bill amends) is based on the *preceding* year's tax liability.
- The second option is based on the *current* year's tax liability.
- If this bill is enacted, there would be two methods for calculating quarterly franchise and excise tax payments based on the current year and no methods based on the prior year.
- Estimated decrease in state revenues, as a result of utilizing two methods based on the current year liability, exceeds \$1,000,000.
- One-time state expenditures for form development, software upgrades, and computer programming modifications are estimated at \$134,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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